

Trial Transcript, dated March 9, 2011

[pp. 91 - 213]

1

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK - CIVIL TERM

-----X  
BARBARA STEWART,

Plaintiff,

-against-

WILLIAM STEWART,

Defendant.  
-----X

Index No. 350054/07  
TRIAL

71 Thomas Street  
New York, New York  
March 9, 2011

(Testimony of Barbara Stewart)

B E F O R E:

HONORABLE LOUIS CRESPO, JR., Special Referee

A P P E A R A N C E S:

McLAUGHLIN & STERN, L.L.P.  
Attorneys for the Plaintiff  
260 Madison Avenue  
New York, New York 10016

BY: PETER C. ALKALAY, ESQ.  
ERIC WRUBEL, ESQ.

PRYOR CASHMAN, L.L.P.  
Attorneys for the Defendant  
7 Times Square  
New York, New York 10036-6569

BY: DONALD LOCKHART SCHUCK, ESQ.  
LAUREN BATHGATE, ESQ.

VICKI K. GLOVER, CSR, RMR, CRR  
Official Court Reporter

1 Opening Statement - Mr. Alkalay  
2 decision that I believe both Judge Gesmer and Judge Evans  
3 have already made.

4 Thank you very much.

5 MR. ALKALAY: May I make one brief statement in  
6 reply?

7 THE REFEREE: No.

8 MR. ALKALAY: Okay.

9 THE REFEREE: Opening statement is an opening  
10 statement. Not motion practice.

11 Your witness?

12 MR. ALKALAY: Good morning.

13 MS. STEWART: Do I have to take an oath?

14 THE REFEREE: That's the reason why.

15 Your witness?

16 MR. ALKALAY: My witness, I call Barbara Stewart  
17 to the stand.

18 B A R B A R A S T E W A R T,  
19 called as a witness and having been first  
20 duly sworn by the Special Referee, was  
21 examined and testified as follows:

22 THE REFEREE: State your name for the record,  
23 ma'am.

24 THE WITNESS: Barbara Stewart.

25 THE REFEREE: And your address?

26 THE WITNESS: 418 East 59th Street.

1 B. Stewart - Plaintiff - Direct/Alkalay

2 Q And after this trip did you have an opportunity to  
3 revisit Vietnam?

4 A Oh, I went back regularly.

5 Q And what was the reason that you went back regularly?

6 A Following the opening of Vietnam to the West, because I  
7 fell in love with Vietnam, and in one of the trips a few times  
8 afterwards I was talking to the guys, the Ministry of Education  
9 and a couple of the guys and the Vice Prime Minister and all  
10 that. And I told them that I thought if they wanted to join the  
11 international community, they had to speak English, because we  
12 were always having conversations in French. And I said, English  
13 is the international language. You have to speak English. Let  
14 me help you.

15 And they eventually -- we made an agreement that I  
16 would rewrite an English curriculum from 6 to 12th grade and  
17 then I would get the books printed and we would teach the  
18 teachers and blah, blah, with the aim towards making English the  
19 second language -- their second language.

20 Q And with whom was this agreement made?

21 A Minister of Education.

22 Q And what did you next do in connection with creating  
23 this English curriculum?

24 A I worked with a couple of people in Hong Kong to get  
25 the artwork done and everything, and a couple of the teachers in  
26 the Ministry of Education. We designed the lessons. We made

1 B. Stewart - Plaintiff - Direct/Alkalay

2 teachers' guidebooks. We made cassettes so that the kids could  
3 hear it pronounced correctly. And then I got on my knees and  
4 begged the World Bank to print the textbooks. When that was  
5 done we made a television series, a cartoon television series  
6 from our characters in the book.

7 Q And that was shown in Vietnam?

8 A Oh, yes, on television.

9 Q Okay.

10 A VTV.

11 Q Now, in connection with these activities, did you set  
12 up or get involved with any charitable entity?

13 A Well, my first trip to Vietnam we went through Da Lat,  
14 and there was a 15-year-old boy there who had stepped on  
15 something sharp, got an infection in his foot and he was dying  
16 of sepsis. I felt this was a terrible, terrible thing. And the  
17 reason he was dying and couldn't be saved, no one had any  
18 penicillin. Something as easy as that. And it really bothered  
19 me.

20 And in my hanging around Hong Kong, I started to  
21 think that Da Lat used to be a truck farming area and wouldn't  
22 it be nice if we could get this truck farming industry going so  
23 these people didn't have to die because they didn't have  
24 penicillin or weren't starving to death and didn't have bloated  
25 bellies from malnutrition, and I started a farm there in Da Lat.

26 Q And when you say you started a farm in Da Lat, what

1 B. Stewart - Plaintiff - Direct/Alkalay

2 exactly did you do?

3 A I found a guy who was willing to go to Da Lat, try to  
4 rent property. I knew the minister of agriculture, so I knew we  
5 could get a lease. And tried to get -- to hire people and to  
6 get it started.

7 Q And was an entity created to take possession of this  
8 property?

9 A Yes.

10 Q And what was the name of that?

11 A It started out being called BioOrganics and then it  
12 became Agravina.

13 Q And, I'm sorry, the first name was Bio --

14 A BioOrganics.

15 Q And that was subsequently changed to Agravina?

16 A As it started to grow then just the whole thing was  
17 called Agravina.

18 Q Does Agravina have any special meaning, by the way?

19 A Vina is a common ending for words from Vietnam. Agra  
20 is agriculture.

21 Q Now, you also mention -- we'll come back to this in a  
22 moment. You also mentioned activities that you had in  
23 connection with education.

24 A Um-hmm.

25 Q Was there an entity or charitable foundation set up in  
26 connection with that?

1 B. Stewart - Plaintiff - Direct/Alkalay

2 A Yes. It was called the Business Alliance for  
3 Vietnamese Education, BAVE.

4 Q What did you have to do with that?

5 A That was what was paying for the textbooks -- not for  
6 the textbooks for all 80 million people, but I mean for the  
7 basic core of textbooks that we put together.

8 Also, I went to the Ministry of Finance and I said  
9 that, you know, good government starts with good training. Give  
10 me some of your young executives and I'll get them an education.  
11 I put one guy through an MBA in the Kennedy School of Government  
12 in Harvard, and another guy got an MBA in University of Chicago.

13 Q These are Vietnamese nationals?

14 A Yes. They worked in the Ministry of Finance.

15 Q And where did the funding for BAVE come from?

16 A I had at one time 14 different corporations that were  
17 contributing, and, of course, I was putting my own money in it.  
18 I mean, international corporations like Boeing and Citibank and  
19 Fed Ex, and things like that.

20 Q And as far as you know, did any of the Trusts  
21 contribute any money to BAVE?

22 A Not really.

23 Q Okay. And --

24 THE REFEREE: Say that again? I didn't hear your  
25 last answer.

26 THE WITNESS: Not really.

1 B. Stewart - Plaintiff - Direct/Alkalay

2 THE REFEREE: Okay.

3 Q Is BAVE still in existence?

4 A I had to close it down. I don't have any money.

5 Q So, just so that we understand, for what period of time  
6 did BAVE exist, roughly?

7 A From 1991, to when I had to close it down in 2005 or  
8 '6.

9 Q Now, you talked about the creation of Agravina.

10 A Um-hmm.

11 Q So when it first started, how would you describe what  
12 its function was and what it did?

13 A We tried to grow organic vegetables and we grew corn  
14 and broccoli. We sold them to a supermarket chain in Singapore  
15 called Cold Storage. And then we eventually evolved into a  
16 flower farm, not so much vegetables.

17 Q When Agravina first was a startup, how was it funded?

18 A With my money.

19 Q And how were you channeling the money to Agravina? Was  
20 it in one lump sum or was it in bits and pieces?

21 A No, it was in bits and pieces.

22 Q Now, I believe you heard Mr. Schuck say during his  
23 opening remarks that Mr. Stewart provided the seed money for  
24 Agravina. Is that true?

25 A No, it's not.

26 Q Now, do you recall over what period of time you were

1 Mrs. Stewart - Plf. - direct

2 THE SPECIAL REFEREE: Thank you.

3 (Received and marked Plaintiff's Exhibit 11 in  
4 evidence.)

5 Q So Mrs. Stewart, what is your understanding as to  
6 Topaze?

7 A Where do you want me to start?

8 Q Well, from the beginning.

9 A Bill told me to put my jewelry into, out of my  
10 estate because he told me that if something happened to me,  
11 at the time I was going through to a lot you third world  
12 countries and war zones and stuff like that. And he said if  
13 something happened to me, the IRS would take fifty percent of  
14 everything I had, and that I should take my jewelry and take  
15 it out of my estate. My initial reaction was that this was a  
16 dumb idea and I didn't want to do it, but Bill pressured me  
17 for about a year I guess, and said you really must, you  
18 really must. So, finally I said yes to keep peace, and Bill  
19 drove me to John Igelehart's office in Geneva, we were  
20 Mr. Switzerland, and John Igelehart said he would set up this  
21 company.

22 Q And is it your understanding that this, that Topeze  
23 was organized and set up at the direction of Mr. Stewart?

24 A Absolutely.

25 Q And as far as you know, Topeze exists to this day?

26 A Yes, I believe so.